

## **Roundtable 2**

# **Supply reduction and related measures; responses to drug-related crime; and countering money-laundering and promoting judicial cooperation (“drugs and crime”)**

---

### **Introduction**

International commitment to a collaborative approach to supply reduction remains key, particularly if gains made in this regard are to be sustained and new and emerging drug-related organised crime threats are to be successfully countered. Enhanced cooperation is crucial to disrupting and dismantling drug trafficking organisations. Such cooperation could range from more formal levels, such as between States concluding bi-lateral agreements on mutual legal assistance and technical support, to informal operational collaboration between mandated national authorities responsible for implementing supply reduction strategies. While some progress has been made in this area, still more remains to be done.

Cross-border cooperation facilitates effective border controls. Strengthened border management strategies, coordination with cross-border counterparts and professional skills capacity building for border agencies are on-going needs that require support and attention.

Sharing information and, as appropriate, developed intelligence on drug-related criminal matters is critical to successful supply reduction. A robust response is needed to counter the serious challenges posed by the links between drug trafficking, corruption and other forms of organised crime, including money laundering and the financing of terrorism. Sub-regional and international

networks to counter money laundering are gaining momentum, but they still require support to mainstream their operations into effective counter measures. The regional networks of authorities established for sharing information and coordination on trafficking and anti-organised crime investigations should be similarly strengthened.

Analysis of reliable data is needed on the changing relationships between crime groups and the commodities they trade so as to ensure effective policy making and interventions.

## **(i) Domestic, regional and cross-regional responses to drug-related crime; and countering money-laundering, including, where appropriate, in connection with the financing of terrorism, and promoting judicial cooperation in criminal matters**

---

### **Stocktaking: what works and what does not work**

Technical assistance to build capacity and professional skills development tailored to law enforcement operational mandates can be effective. Initiatives to strengthen counterparts that are connected to their operational work, both at domestic, regional and inter-regional levels, have delivered good results. Current UNODC examples<sup>1</sup> of such capacity building initiatives include Building Effective Networks Against Organised Crime (BENATOC), the Container Control Programme (CCP), and building of border liaison offices and anti-money laundering asset recovery networks.

Addressing the proceeds of illicit drug trafficking and related offences by acting effectively to remove opportunities to launder them and introducing effective actions through cooperation (both domestically and internationally between agencies) to recover the proceeds of these crimes are key to dismantling the syndicates involved and disempowering those responsible for such trafficking. International efforts to implement the provisions against money-laundering contained in all relevant international and multilateral instruments, such as the 1988 Convention, the Organized Crime Convention and the Convention against Corruption and, in accordance with national legislation, the Financial Action Task Force Recommendations on Money Laundering together with support to establish financial intelligence units are proving effective, but require on-going support.

Illicit drug trafficking and related money laundering offences are cross-border offences that typically involve multiple jurisdictions, fall under the investigation and enforcement mandate of different domestic agencies and often involve close cooperation between public and private sector actors

---

<sup>1</sup> Report of the Secretariat on action taken by the subsidiary bodies of the Commission on Narcotic Drugs (<https://documents-dds-ny.un.org/doc/UNDOC/GEN/V16/000/39/PDF/V1600039.pdf?OpenElement>).

(e.g. shipping companies, airlines, banks etc.). These factors prevent authorities from acting effectively against trafficking in an increasingly inter-connected world of communications, transport and financial transfers that in turn result in increasingly complex investigations into multijurisdictional trafficking offences. The majority of law enforcement agencies are not yet able to conduct such complex investigations.

Violence and illicit drug related activities are closely linked. This destabilizing situation is further exacerbated by access to firearms by organized crime groups. More cooperation is needed between the different law enforcement authorities. Their mandates should be synchronized and their responses coordinated, in order to be effective and target illicit trafficking in firearms, their parts and components and ammunition.

Advances in technology, transport and travel have added to the fluid efficiency and speed of the global economy. They also offer similar efficiencies to the business of trafficking networks. Authorities need timely access to information requested from counterparts in foreign jurisdictions to develop intelligence-led responses to intercept and disrupt and to swiftly obtain court-facilitated evidence through inter-jurisdictional transfers in order to secure successful prosecutions. Delays by authorities in responding to formal requests for support continue to undermine effective countermeasures against trafficking organisations. This is exacerbated by the on-going difficulties faced by enforcement authorities as they seek to find universally acceptable platforms through which to communicate time and security sensitive information.

Organized criminal groups often attempt to influence public officials. Supply reduction strategies must therefore be complemented by pro-active anti-corruption measures that build capacity and resilience within law enforcement authorities and the judiciary. Many administrations remain weak in this area. Competent authorities and the public need the assurance that effective measures are in place to prevent intimidation and obstruction of justice.

## **Proposals for addressing the issues and way forward**

The cross border nature of trafficking offences inevitably brings one or more jurisdictions into play, to which is added different legislation, differently mandated counterpart agencies and different operational practices, procedures and professional skills. Governments should engage more in developing bilateral cooperation with neighbours and regional counterparts in order to improve the technical skills and professional knowledge of their own law enforcement agencies and those of their foreign counter narcotic authorities. This will also help build confidence and the trust necessary to collaborate on operations, including joint investigations.

Coordination among different law enforcement authorities is important and should be strengthened. A lack of coordination between domestic law enforcement agencies sharing common mandates to counter trafficking can reduce their effectiveness. Governments should encourage constant dialogue

and cooperation between their law enforcement counterpart agencies, both domestically and internationally. They should also remain committed to providing the financial and technical support necessary to build the operational links for effective cooperation.

Many law enforcement agencies remain poorly equipped to investigate complex transnational trafficking offences and lack the skills and resources to pursue enquiries with properly gathered and preserved evidence. Consequently, prosecutions can fail even following interceptions and seizures. Attention should be directed towards strengthening the investigation, forensic evidence gathering and case management skills of authorities mandated to counter illicit trafficking. It is essential to integrate the above efforts into the prosecution of offenders.

Enhanced cooperation at regional, sub-regional and international level in criminal matters is invaluable. So too is judicial cooperation on extradition and mutual legal assistance. Governments should support their competent authorities to improve this cooperation and make the necessary resources available to them.

As Governments move to implement relevant anti-money laundering standards and enforce them in financial transactions, traffickers respond by moving their cash-based profits to jurisdictions with less stringent financial accountability rules. Governments need to stay focused on the detection of cash in transit across their borders whilst ensuring that their authorities are trained and equipped to respond to innovative attempts by organized criminal groups to circumvent anti-money-laundering regulations, through techniques such as trade-based money-laundering and compensation mechanisms.

Governments should also mitigate the money laundering risks linked to new technologies as well as emerging money laundering methods, while considering what measures they could introduce in order to effectively address challenges posed by safe havens for laundered proceeds.

More needs to be done to strengthen measures at all levels to prevent drug related crime, violence, victimization and corruption. Comprehensive policies that integrate socioeconomic factors and the judicial system should be carefully considered and introduced. Information sharing about best practices on preventing and countering drug related crime should be encouraged so as to build a stronger basis for a collective response.

## Questions for discussion

---

- **What can Governments do to strengthen bi-lateral cooperation in addressing illicit trafficking and its related offences?**
- **What impedes the exchange of relevant information and closer operational cooperation between law enforcement agencies at national, regional and international level to address trafficking and, how can this be addressed?**
- **How can law enforcement and the prosecutorial agencies be made to work more closely together in order to improve the investigation of offences and admissibility of evidence, while raising the standards of prosecution?**
- **What should be done to encourage the early sharing of information between financial intelligence units and investigators of trafficking offences, in order to facilitate joint agency investigation into the laundering of proceeds of crime?**
- **What could be done to promote exchange of best practices, raising awareness, providing support and strengthening capacity-building in addressing challenges dealing with supply reduction and drug related crime and its prevention?**

### **(ii) Addressing emerging issues, including new psychoactive substances, precursors and the misuse of the Internet**

The unprecedented emergence of potentially dangerous new psychoactive substances (NPS), which are not under international control, has led to their increased abuse, hospital emergency admissions, and sometimes fatalities<sup>2</sup>. Some NPS are transient in nature while others are more persistent and prevalent, thereby remaining on the market in spite of national controls. The NPS market is resilient, adapting very quickly to changes introduced by legal controls and to substances which are forced out of the market due to their harmful effects. Drug enforcement authorities have much to learn about the rapidly evolving illicit market in psychoactive substances, particularly about their harmful effects and knowledge of their manufacture and trafficking<sup>3</sup>.

Preventing the diversion of precursor chemicals used to illicitly manufacture drugs remains a fundamental building block to any cross-cutting strategy to reduce supply reduction. Close public/private sector cooperation between national authorities and their chemical industries is important to prevent attempts at the diversion of chemical precursors.

---

<sup>2</sup> By December 2015, the emergence of over 644 NPS in 101 countries and territories had been reported to UNODC.

<sup>3</sup> Report of the Secretariat on action taken by the subsidiary bodies of the Commission on Narcotic Drugs (<https://documents-dds-ny.un.org/doc/UNDOC/GEN/V16/000/39/PDF/V1600039.pdf?OpenElement>).

The Internet plays an increasingly prominent role in promoting the sale of illicitly manufactured drugs and new psychoactive substances, offering on-line platforms including social media networks and chat rooms to advertise and offer controlled substances for sale.

---

## **Stocktaking: what works and what does not work**

The emergence of new psychoactive substances (NPS) are creating new challenges in their identification as an illicit substance and the determination that their manufacture, trafficking and possession is illegal under domestic law. There is an urgent need for clarification on this if future supply reduction strategies against NPS are to be successful.

The use of early warning systems, both regionally and internationally, have succeeded in keeping the international drug control system focused on the most prevalent, persistent and harmful NPS, while at the same time enhancing the ability of countries to anticipate developing threats and so reduce risks to public health.

Concerted, collective and collaborative international efforts over the past 10 years have proven effective in reducing diversion of substances under international control. The future challenge now lies in maintaining these efforts and finding an effective solution to deal with substances not currently under international or national control, but used in the illicit manufacture of drugs.

Not enough resources are being invested by Governments to enable their authorities to develop effective strategies to meet the technology led challenge of the Internet. Its borderless nature, the multiple jurisdictions it spans and legal regimes that restrict access to computer data and electronic evidence, inhibit the timely response needed to act effectively against trafficking. Advances in technology and communication make sophisticated resources available for misuse in supporting criminal enterprises, while the tracking, tracing and recovering electronic information and evidence for successful prosecutions pose constant challenges.

## **Proposals for addressing the issues and way forward**

Governments need to invest more to improve the knowledge of law enforcement authorities regarding the manufacture and supply of new psychoactive substances (NPS), the precursors required and their understanding of the NPS markets and dynamics.

Enhancing the capacity of laboratories for detection and identification of NPS is an important counter measure to address the manufacture, trafficking and their abuse. Cooperation at regional and international levels in the identification, investigation and reporting of NPS interceptions is

important in boosting efforts against illicit manufacture of NPS, trafficking and use<sup>4</sup>. Such cooperation is also useful in addressing regulatory loopholes that may be caused by divergent approaches in national legislative frameworks.

There is a need for collaboration between authorities responsible for chemical control and their chemical industries in order to build trust and facilitate cooperation to prevent attempts at the diversion of chemical precursors. Such collaboration underpins the success of the international initiatives coordinated by the International Narcotics Control Board (INCB), such as PEN Online and the Precursors Incident Communication System (PICS), against precursor diversion. In order to make full use of such initiatives, the resources and support offered by Governments to their authorities in this regard should be enhanced.

Governments should be encouraged to invest resources and capacity building to strengthen their authorities investigate Internet based trafficking, through the provision of technical support to lawfully gather electronic evidence and be able to introduce this into their judicial proceedings.

## Questions for discussion

---

- **What is the collective change States wish to see in countering the interest and growth in the use of new psychoactive substances (NPS), including in terms of national legal approaches, and how could this change be facilitated?**
- **What can be done to facilitate dialogue and collaboration between State authorities and the private sector, whose industries may hold information that is central to successful investigation of trafficking offences and prevention of diversion of precursor chemicals?**
- **What obstacles prevent Governments from cooperating more closely on international precursor control?**
- **What are the priority areas for Governments seeking to address the challenges posed by the use of the Internet in facilitating illicit drug trafficking?**

---

<sup>4</sup> A number of international tools and cooperation mechanisms, such as those offered by relevant regional and international bodies, including ICPO-Interpol, WCO and INCB's Project ION and IONICS, are available and should be used more systematically for the sharing of actionable intelligence on incidents involving NPS between Governments.